

From: Lucas Gonze
To: Microsoft ATR
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Subject: comment on Microsoft settlement

Speaking as a senior Internet developer, published author on Internet topics, and an Internet entrepreneur, I believe that the proposed settlement is too little, too late. In my business there is virtually no possibility of building desktop software like word processors or web browsers. Investors won't fund it. The reason is that every such effort has failed whenever Microsoft decided to enter the business themselves.

Due to network effects, achieving a larger pool of users is the largest factor in creating useful software and hence selling software profitably. Microsoft's ability to bundle end user software with Windows means that they can create a larger pool of users at will. The only software developers to escape Microsoft do it by luck, when Microsoft actively decides not to take their market. The default in any desktop software market is for Microsoft to have it; there is simply no way to beat the company's ability to bundle software with the operating system.

This is the definition of a monopoly. There is no possibility of competition, so independent innovation cannot happen.

What independent developers like myself need is for the Justice Department to ensure that we can enter the end user software market. Without intervention by the Justice Department, we cannot. The proposed settlement leaves us locked out of the end user software business.

Sincerely,
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